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**EARLY, LENNON, PETERS & CROCKER**

ATTORNEYS AT LAW

900 COMERICA BUILDING  
KALAMAZOO, MICHIGAN 49007-4752  
TELEPHONE (616) 381-8844  
FAX (616) 349-8525

RECEIVED

Arizona Corporation Commission

2000 MAY 10 P

DOCKETED

GEORGE H. LENNON	BLAKE D. CROCKER
DAVID G. CROCKER	ROBERT M. TAYLOR
HAROLD E. FISCHER, JR.	PATRICK D. CROCKER
LAWRENCE M. BRENTON	ANDREW J. VORBRICH†
GORDON C. MILLER	ROBERT G. LENNON††

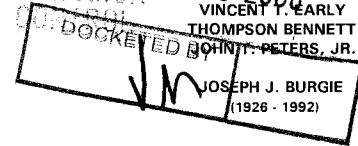
† Also admitted in Iowa

†† Also admitted in New York, Illinois and Washington, D.C.

AZ CORP COMMISSION

MAY 10 2000

OF COUNSEL

VINCENT T. EARLY  
THOMPSON BENNETT  
JOHN T. PETERS, JR.JOSEPH J. BURGIE  
(1926 - 1992)

May 9, 2000

Brian C. McNeil, Executive Secretary  
Arizona Corporation Commission  
Telecommunications Division  
1200 West Washington  
Phoenix, Arizona 85007

RE: Vista Group International, Inc.  
Docket No. T-03418A-97-0445

Dear Mr. Mc Neil:

In accordance with the request from staff member, Anthony Gatto, Vista Group International, Inc. ("Vista") provides for filing with the Commission, an original and ten (10) copies of this letter along with financial statements attached as Exhibit A.

Should you have any questions please contact the undersigned.

Very truly yours,

Early, Lennon, Peters & Crocker, P.L.C.

Patrick D. Crocker  
PDC/ pas

## **EXHIBIT A**

### **Financial Statements**

VISTA GROUP INTERNATIONAL, INC.  
BALANCE SHEET  
MARCH 31, 1998

**ASSETS**

**CURRENT ASSETS**

CASH	\$797,172
ACCOUNTS RECEIVABLE, NET	8,732,161
DEFERRED MARKETING AND VERIFICATION COSTS	1,751,035
TELEMARKETER ADVANCE RECEIVABLE	1,756,890

TOTAL CURRENT ASSETS 13,037,258

**PROPERTY AND EQUIPMENT, AT COST**

OFFICE EQUIPMENT	373,532
LEASEHOLD IMPROVEMENTS	17,332
LESS ACCUMULATED DEPRECIATION	118,147

NET PROPERTY AND EQUIPMENT 272,717

**OTHER ASSETS**

NOTES RECEIVABLE - OFFICERS	273,494
ADVANCES - AFFILIATES	245,990
DEPOSITS	10

TOTAL OTHER ASSETS 519,494

**TOTAL ASSETS** \$13,829,469

**LIABILITIES AND SHAREHOLDER'S EQUITY**

**CURRENT LIABILITIES**

ACCOUNTS PAYABLE	\$242,549
ACCRUED EXPENSES	3,060,863
LONG DISTANCE SERVICE PROVIDERS PAYABLE	10,337,037

TOTAL CURRENT LIABILITIES 13,640,449

**SHAREHOLDER'S EQUITY**

COMMON STOCK	500
RETAINED EARNINGS BEGINNING	(420,390)
NET INCOME - CURRENT	608,910

TOTAL SHAREHOLDER'S EQUITY 189,020

**TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY** \$13,829,469

See Accountants' Compilation Report

VISTA GROUP INTERNATIONAL, INC.  
STATEMENT OF INCOME  
FOR THE THREE MONTHS ENDED MARCH 31, 1998

<u>SALES, NET</u>	\$9,326,488
<u>COST OF SALES</u>	<u>8,053,364</u>
<u>GROSS PROFIT</u>	1,273,124
<u>SELLING GENERAL AND ADMINISTRATIVE</u>	<u>510,656</u>
<u>OPERATING INCOME</u>	<u>762,468</u>
<u>OTHER INCOME (EXPENSE)</u>	
INTEREST INCOME	8,821
INTEREST EXPENSE	<u>(162,379)</u>
	<u>(153,558)</u>
<u>INCOME BEFORE TAXES</u>	608,910
<u>PROVISION FOR INCOME TAXES</u>	<u>0</u>
<u>NET INCOME</u>	<u>\$608,910</u>

See Accountants' Compilation Report